



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR




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MARK J. SALADINO
TREASURER AND TAX COLLECTOR

May 16, 2005

TO: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mark J. Saladino
Treasurer and Tax Collector 

SUBJECT: **AMENDMENT TO LETTER OF CREDIT AGREEMENT
LOS ANGELES COUNTY COMMERCIAL PAPER PROGRAM**

On May 10, 2005, your Board approved the execution and delivery of the Fourth Amendment to the Letter of Credit and Reimbursement Agreement for the County's Tax-Exempt Commercial Paper Program. The principal purpose of the commercial paper program is to finance the construction costs of the LAC+USC Medical Center Replacement Facility. This memorandum is to provide notice that my office executed this amendment on May 12, 2005.

The key benefits resulting from the County's amended Letter of Credit (LOC) are an extension of the LOC from April 2007 through December 2015, the guarantee of enhanced credit ratings for the program, and significantly reduced administrative costs. At the current level of commercial paper outstanding, the revised LOC will reduce program costs by nearly \$412,000 on an annual basis. These savings are expected to increase in future years as the County issues additional commercial paper to fund the completion of the LAC+USC Medical Center Project. When the commercial paper program reaches its maximum authorized capacity of \$335 million, the new fee structure will save the County approximately \$585,000 annually. Significantly, all such savings will be recognized exclusively by the Department of Health Services.

If you have any questions regarding the commercial paper program and its recent amendments, please either contact me directly or you may instruct your staff to call Glenn Byers at (213) 974-7175.

MJS:GB:DB

Z:Board:2005 TECP Amendments

c: Executive Officer, Board of Supervisors
Chief Administrative Officer
County Counsel
Auditor-Controller